
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 8.12.2010

New York Times: "U.S. Plans More Aid for Jobless Homeowners ... In an acknowledgment that the foreclosure crisis is far from over, the Obama administration on Wednesday pumped \$3 billion into programs intended to stop the unemployed from losing their homes."

New York Times, Editorial: "When the Fed Speaks ... The Fed's statement on Tuesday avoided the words deflation and double dip recession. But the markets heard them, still, because the Fed's efforts alone are unlikely to steer the nation clear of those dangers."

New York Times, Op-Ed: "Say Goodbye to Fannie and Freddie ... The danger in having any new mortgage agency is that its guarantees would subsidize mortgage risk, eventually leading to further taxpayer losses. The only sure way to prevent that outcome is to phase out Fannie and Freddie."

New York Times, Op-Ed: "Too Big Not to Fail ... Just about everyone agrees that the government's extraordinary role in supporting the housing finance market should be curtailed. Most government officials, however, insist that the time for serious reform will be when "the housing market is clearly recovering," as the former Treasury Secretary Henry M. Paulson Jr. recently put it. But by waiting for a recovery before reforming the government's mortgage-backing trio, we are getting things backward."

New York Post: "O's latest biz-killer ... Buried deep inside the new "financial reform" law is a scheme to force affirmative action on small-business lending -- a "reform" with ominous implications for the US economy. Aimed at curtailing supposed discrimination, the race-based lending mandate is guaranteed to have perverse effects -- just like the drive for "racial fairness" in mortgage lending paved the way for the subprime crisis and the 2008 financial meltdown."

Washington Post: "Cohee at OneUnited, bank in Maxine Waters case, has checkered record ... Weeks before his meeting with Treasury officials in 2008, Cohee was also dealing with the consequences of the arrests at the Santa Monica mansion, according to police and court records obtained by The Washington Post. The first arrest, on April 22, 2007, occurred after a woman who was not his wife fled the mansion and drove to a police station to lodge a complaint of violent sexual assault. The second arrest, on May 15, 2007, involved 17 police officers and resulted from drugs found during the execution of a search warrant "in regards to a sodomy investigation," according to a police report. When they reached the second floor of the house and asked Cohee to come out of the bedroom with his hands up, the door was instead pushed shut. Police kicked it open and found a woman, as well as cocaine and a black tar-like substance in a desk drawer, the report states. It was later determined to be concentrated cannabis, according to court records.

Washington Post: "U.S. bailouts benefited foreign firms, report says ... The federal government's effort to stabilize the financial system in 2008 by flooding money into as many banks as possible resulted in a boon to many foreign firms and left the United States shouldering far more risk than governments that took a narrower approach, according to a new report by a panel overseeing the Treasury's \$700 billion bailout fund."

Washington Post: "SEC enforcement division granted permanent subpoena powers ... The Securities and Exchange Commission on Wednesday quietly made permanent a vast expansion of the power of its enforcement division's ability to subpoena documents and compel testimony."

Wall Street Journal: "Buyers' Credit Lifts Home Prices, but Outlook Dims ... Home prices rose in two-thirds of U.S. metropolitan areas in the second quarter as the expiration of home-buyer tax credits spurred sales, the National Association of Realtors said Wednesday. Separately, the Obama administration said Wednesday it was making \$3 billion in additional aid available to help unemployed homeowners avoid foreclosure, largely for a federal fund that provides grants to state housing agencies."

Wall Street Journal: "Dodd, Frank at Odds Over Who Should Lead New Agency ... Sen. Christopher Dodd and Rep. Barney Frank worked in tandem to shepherd the financial-overhaul bill through Congress, but the two Democrats are at loggerheads now over the administration's first major move to turn the Dodd-Frank legislation into reality. The discord is

over who should lead the new Consumer Financial Protection Bureau, a key plank of the new law. Mr. Frank, the House Financial Services Committee chairman, has joined his party's liberal base in pushing for Harvard Law Prof. Elizabeth Warren to head the bureau, and wants her named without delay."

The Hill: "Obama says worst of recession is over amid economic turmoil on Wall Street ... But the reaction on Wall Street to the Federal Reserve's announcement on Tuesday suggests doubts that the economy is headed for a strong recovery. The nation's economy grew by only 2.4 percent in the second quarter, and the nation only added 71,000 jobs in July."